

# State of South Dakota

## EIGHTY-FIFTH SESSION LEGISLATIVE ASSEMBLY, 2010

400R0338

### SENATE BILL NO. 21

Introduced by: The Committee on Retirement Laws at the request of the South Dakota Retirement System

1 FOR AN ACT ENTITLED, An Act to revise certain provisions regarding exclusive benefit  
2 requirements and the range of investments available to the South Dakota Retirement System  
3 member trust fund.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

5 Section 1. That § 3-12-54 be amended to read as follows:

6 3-12-54. The system shall be under the Board of Trustees. The Board of Trustees shall be  
7 held to the standard of conduct of a fiduciary and shall carry out its functions solely in the  
8 interest of the members and benefit recipients and for the exclusive purpose of providing  
9 benefits and defraying reasonable expenses incurred in performing such duties as required by  
10 law. The system may not engage in any activity and the State Investment Council may not invest  
11 member trust funds in any manner that are not solely designed to provide for the exclusive  
12 benefit of the members and benefit recipients of the system. The attorney general is the legal  
13 adviser to the board.

14 Section 2. That § 3-12-47 be amended by adding thereto a NEW SUBDIVISION to read as  
15 follows:



1 "Social investment," investment, divestment, or prohibition of investment of the assets of  
2 the system for purposes other than pure investment return, which other purposes include  
3 ideological purposes, environmental purposes, political purposes, religious purposes, or  
4 purposes of local or regional economic development;

5 Section 3. That § 3-12-117 be amended to read as follows:

6 3-12-117. The State Investment Council as provided in § 4-5-12 is responsible for the  
7 investment of the assets of the system. The Investment Council may pool the several retirement  
8 funds for investment purposes and the investment of such funds is not restricted by the  
9 provisions of § 4-5-26, but is governed by the provisions of § 4-5-27. However, the assets of the  
10 system may not be used as venture capital, nor may the assets of the system be managed in any  
11 manner for the purposes of social investment.